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Costs and Benefits of Paternity Establishment

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HEALTH AND SOCIAL SERVICES
RESEARCH

U.S. Department of Health and Human Services
Office of Child Support Enforcement

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COSTS AND BENEFITS OF PATERNITY ESTABLISHMENT

EXECUTIVE SUMMARY

February, 1985

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for Health and Social Services Research
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PREFACE AND ACKNOWLEDGEMENTS

This report presents the findings of a study that was undertaken to examine the important and timely issue of the cost effectiveness of pursuing paternity cases in the child support enforcement program. With the number of out of wedlock births continuing to rise and the growing national concern to improve the collection of support from absent parents, as reflected in Public Law 98-378, understanding the role that paternity determination and enforcement efforts play in the larger program takes on new urgency. To address this need for understanding, the Center for Health and Social Services Research (CHSSR), a non-profit research and evaluation institute, and MAXIMUS, Inc., undertook a study in which the outcomes of a sample of paternity cases were examined in three jurisdictions. By selecting sites that scored above average on a set of indicators, it was hoped that we would be able to shed light on the questions of whether paternity cases can be processed cost effectively and, if so, what it takes to accomplish that goal. This report presents a summary of how that project was undertaken and what we found.

CHSSR and MAXIMUS wish to acknowledge and extend appreciation to the Office of Child Support Enforcement (OCSE) for providing the funding for this study, to Fred Schutzman, Deputy Director, OCSE, and Gaile Maller, Statistician, OCSE, and Project Officer on this project, for their patience, guidance, support and encouragement. We also wish to thank the OCSE Regional Representatives and State IV-D Directors who assisted us with their insight in selecting sites to be studied. Special appreciation is extended to the administrators and staff of the three agencies that participated in the study: Essex County, New Jersey; Eugene, Oregon; and Dane County, Wisconsin. The many hours they contributed in drawing samples, providing case records and explaining the operations of their agencies were crucial to the successful completion of this study.

The findings and conclusions presented in this report reflect the opinions of CHSSR and MAXIMUS; they should not be perceived as the official position of OCSE or the jurisdictions studied.

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COSTS AND BENEFITS OF PATERNITY ESTABLISHMENT

EXECUTIVE SUMMARY

INTRODUCTION

This report summarizes a study of paternity cases in three jurisdictions. The intent of that study was to identify the costs of establishing paternity and enforcing obligations and the value of collections in those cases in which an obligation is established. Since paternity cases typically involve significantly higher "up front" costs than other types of child support enforcement cases, and since the "return on investment" occurs over time, the study was designed to examine cases over a three to four year period. Using information found in case files, cost and collection data were collected and analyzed to determine whether and at what point collections exceed costs. The project produced average case benefit/cost ratios for each jurisdiction for a three year period.

The findings of this study should not be seen as representative of paternity cases nationwide. Nor do they indicate the total collections potential of paternity cases. The method of site selection and the small number of sites studied precludes the former generalization, and the lack of information about the active duration of paternity cases precludes the latter. Rather, these findings indicate that, in the jurisdictions studied, it is possible for collections on paternity cases with obligations established to exceed costs for all paternity cases, regardless of outcome, over time.

Background

The establishment of paternity for children born out of wedlock is a fundamental necessity for enforcing the responsibility of absent parents to support their children. For children born within the bonds of wedlock, the legal parent-child relationship is, in most cases, assumed. For those born out of wedlock, a legal relationship must be formally established before a support obligation can be established or enforced. Since many children born out of wedlock are supported by public funds, child support legislation requires that state and local agencies pursue paternity adjudication and enforce support obligations against fathers in such cases.

The broad intent of the child support enforcement program is to reduce the net public expenditures for supporting families with dependent children by ensuring that absent parents fulfill their legal obligations to contribute to the support of their children. To accomplish this goal, agencies involved in enforcing child support obligations must collect more than they spend to establish and enforce those obligations. Available data indicates that, overall, the child support enforcement program is successful in this regard. However, there are questions about whether cases involving paternity establishment contribute to this success.

Some child support practitioners believe that paternity cases are not cost effective -- that collections do not exceed the costs of establishing paternity and enforcing obligations. The costs of trials and blood testing, and even of the extra interviewing that is involved in even the simplest uncontested

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cases, make paternity cases more costly to process than simpler divorce-based cases. The lack of an ongoing relationship between the mother and father and general negative impressions about the financial stability and reliability of men who are involved in paternity cases are perceived to result in inconsistent support payment and increased enforcement costs. The need for location, a costly aspect of any child support case, is seen to be higher in paternity cases. The "bottom line", in some people's eyes, is that the paternity portion of the child support enforcement program is a subsidized service operation and does not make a contribution to reducing public welfare expenditures.

Other reasons may be cited for continuing to pursue paternity cases. There is a widely held belief that children born out of wedlock face a number of financial, sociological, and psychological difficulties in life. While it is not the optimal means of solving those problems, having the legal father-child relationship formally established may result in benefits to the child that merit keeping the paternity portion of the child support enforcement program intact regardless of its direct financial impact.

Purpose of the Study

The intent of this study was to analyze paternity cases in depth to identify the costs associated with paternity establishment and enforcement of obligations and to identify collection patterns. By focussing on a few select jurisdictions in which paternity cases could be tracked over time, a realistic, if not generalizable, assessment of the cost and revenue characteristics of these cases could be attained. This information could be used as an indicator of the role of paternity cases in the larger child support enforcement program and possibly provide guidance to other agencies that would help them manage their paternity programs more effectively.

APPROACH

The key question addressed in this study was posed in terms of "potential": Can paternity cases be processed cost effectively? Certainly there are some cases in which establishment and enforcement costs are kept to a minimum and the adjudicated father is a willing and reliable payor and other cases in which the cost of establishing paternity is very high and the father is unreliable in paying the obligation, requiring considerable enforcement activity and associated costs. And there are cases in which resources are expended by the agency and, for a variety of reasons, paternity is never established. Given this spectrum of possible outcomes, is it possible for a jurisdiction to operate a paternity program in which the benefits generated from those cases in which an obligation is ultimately established outweigh the total costs of pursuing all cases, regardless of outcome?

To address this question, available child support enforcement and related statistics were used to identify sites that could be expected to be successful in processing paternity cases and in which such cases comprised a meaningful portion of their overall caseload. In the absence of direct data on this issue, criteria were developed for what were considered to be six key indicators and a list of fourteen candidate states was arrived at. Subsequently, child support personnel in the candidate states were contacted to identify specific jurisdictions for study. Following further analysis and negotiations

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with site officials, child support agencies in the following three sites were selected:

- o Eugene, OR
- o Dane County, WI
- o Essex County, NJ

In the remainder of this report, these jurisdictions will be referred to by state (Oregon, Wisconsin, and New Jersey). This should not, however, be construed to suggest that the findings reflect anything more than the individual jurisdictions studied. It should also be noted that, while each of these sites met the criteria, they were not necessarily the highest ranked sites on any or all of them.

Data collection and analysis procedures were developed to identify comprehensive costs involved in establishing paternity and enforcing support obligations. Essentially, the procedure involved identifying the cost elements, computing a unit cost for each of the elements (adjusted for inflation), and determining the frequency with which those elements occurred in a sample of cases. This approach allowed for a more comprehensive identification of total costs associated with paternity cases than would be possible using reported data and facilitated the breakout of costs associated with individual case "types" and activities.

With the cooperation of the participating jurisdictions, samples were selected and case files drawn that would permit assessment of a significant number of cases for a longitudinal period of at least 36 months. In the Wisconsin and Oregon jurisdictions, this involved a total sample of paternity cases referred from IV-A over a nine month period; in New Jersey, a random sample from all cases was selected for a similar period since they were not easily able to distinguish paternity from non-paternity cases. The "window" from which cases were selected and the length of the study period in each site are shown in Table 1.

Table 1
Sample Size and Study Period

State	Cases Opened Between	Sample	Study Period
New Jersey	11/80 and 6/81	188 cases	37 months
Oregon	10/80 and 6/81	153 cases	38 months
Wisconsin	10/79 and 7/80	172 cases	50 months

To arrive at relatively comparable benefit/cost ratios for the three jurisdictions, "average case" costs and collections for a 36 month period were computed in each jurisdiction. This involved identifying an average opening and closing date, the latter determined by factoring case closures into the examination of obligation cases, and, if the average case period was less than 36 months, projecting costs and collections. The three year time frame was chosen both for practical reasons (it was difficult to collect historical data beyond three years) and because it was assumed that this would be a reasonable

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amount of time to allow a jurisdiction's paternity caseload to at least recover costs.

In an attempt to address, albeit indirectly and cursorily, non-monetary costs and benefits, child support caseworkers were surveyed to obtain their perceptions on this issue. It was reasoned that these persons are in a good position, by virtue of their contact with the affected parties, to provide valuable impressions about the probable impacts of paternity establishment. While the results cannot be considered definitive, they are enlightening and may provide working hypotheses for future studies.

The issue of "contributing factors" -- controllable and uncontrollable variables that contribute to paternity cost effectiveness -- is important from an operational standpoint. Some variables, such as the procedures and techniques used to process cases, are clearly within the scope of a given agency to control. Others, such as the characteristics of the parties, are not. It is important to understand how these factors relate to effective case processing both to determine and measure the potential of such cases and also to devise effective programs in varying circumstances. The intent of this study was not to answer these questions definitively, which was not possible given the relatively small scope of the sample. Rather, comprehensive descriptions of the case processing practices of the jurisdictions and the personal and technical characteristics of cases processed within those jurisdictions were developed to begin to apprehend the relationship between those variables and outcomes.

FINDINGS

Monetary Costs and Benefits

The first issue addressed was the cost of establishing paternity for all cases, including those which are ultimately unsuccessful, and enforcing obligations in those cases which were positively adjudicated. These figures provide the denominator in the benefit/cost equation. Aggregate costs (expenses incurred for all paternity cases, including those in which paternity was not established and monitoring and enforcement costs for cases with an obligation to support) and costs per case (total costs divided by total cases, regardless of outcome) for the three sites during the study period (see Table 1) are presented in Table 2.

Table 2
Total and Per Case Costs by Site

	Study Site		
	New Jersey (n=188)	Oregon (n=153)	Wisconsin (n=172)
Total expenses incurred	$35,246.22	$43,113.89	$48,929.19
Average cost per case	$187.48	$281.79	$284.47

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The benefits in a child support enforcement case are a function of the size of the obligation, the percentage of the obligation paid, and the length of time that payments are made. In paternity cases, benefits are only obtained if paternity is successfully adjudicated. Thus, one measure of effectiveness is the percentage of incoming cases requiring paternity establishment in which paternity and a support order are established. The establishment "success rates" for the three study sites are presented in Table 3. In examining these figures, it is interesting to note that a support order is not established in all cases in which paternity is established. While this may represent lost opportunities in collections, "good reasons" were found in most cases for not establishing an obligation, the most prevalent being the marriage of the parties. Also presented in Table 3 are the costs per obligation established, which indicates the amount that must be collected in those cases to break even.

Table 3
Establishment Success Rates

	Study Site		
	New Jersey (n=188)	Oregon (n=153)	Wisconsin (n=172)
Number and percent of cases in which paternity was established	48 (26%)	56 (37%)	97 (56%)
Number and percent of cases in which an obligation was estab.	33 (18%)	40 (26%)	72 (42%)
Total costs per case in which an obligation was established	$1,068.07	$1,077.85	$679.57

The size of the obligation is another key factor in determining the potential for paternity cases to be cost/beneficial. Theoretically, the amount of the obligation, or "debt", is simply determined by multiplying the ordered amount by the time the case is open. In practice, however, the size of the debt in any given case at any given point may vary as a result of modifications, adjustments, delays, case closures or a variety of other unpredictable occurances. For this reason, the aggregate obligation during the study period for all cases in the sample was determined by summing the individual monthly obligations for all cases. The resulting figures are presented in Table 4.

Table 4
Total Obligations

	Study Site		
	New Jersey	Oregon	Wisconsin
Total accrued obligations	$52,856.00	$70,729.00	$199,305.00
Per obligation case	$1,601.70	$1,768.23	$2,768.13
Per month after ob. estab.	$103.94	$86.05	$81.54

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The third category in Table 4 represents what may be considered the average size of the obligation. Clearly, the total debt in those paternity cases for which an obligation is established (potential collections) exceeds the costs incurred for all paternity cases, regardless of outcome (Table 2), in all three jurisdictions. This suggests that the possibility for paternity cases to be cost beneficial rests with the effectiveness of enforcement efforts.

To measure the effectiveness of collections over the study period, actual payments made were summed for all cases for which an obligation was established. The results, along with the percentage of the debt recovered (total collections divided by total obligations, Table 4), are shown in Table 5.

Table 5
Total and Percent of Obligations Collected

	Study Site		
	New Jersey	Oregon	Wisconsin
Total amount collected during the study period	$17,148.00	$37,405.00	$99,738.00
Percent of amount owed that was collected in the study period	32%	53%	50%

Benefit/cost ratios were computed for each study site in two ways and are presented in Table 6. The first shows the total collections divided by the total costs incurred over the study periods (see Table 1). The second shows an average case benefit/cost ratio for each jurisdiction at 36 months after case opening. Average case periods were determined by averaging the case opened date on the front end and the date of last activity on the other. In the New Jersey and Oregon jurisdictions, where the average case periods were approximately 27 and 31 months respectively, straight line projections were made to arrive at the 36 month ratios.

Table 6
Benefit/Cost Ratios

	Study Site		
	New Jersey	Oregon	Wisconsin
Study period B/C ratios	.49	.87	2.04
Average case B/C ratios (36 mo.)	.71	1.05	1.75

As these figure indicate, only the Wisconsin jurisdiction showed a positive (greater than 1.00) benefit/cost ratio during the study period. However, when cost and collections patterns are examined over a comparable period for all three jurisdictions, only the New Jersey jurisdiction failed to attain break even in 36 months. Ideally, cost/benefit would be determined by assessing

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costs and benefits over the total life cycle of paternity cases within the program. Lacking such data, and in light of the concern over whether paternity cases can reasonably be expected to recover their costs, the number of months required under existing circumstances for total benefits to equal total costs was computed. Monitoring and enforcement costs actually incurred over the study period, along with the pattern of payments, were projected using straight line assumptions. The resulting figures indicate the point at which an average paternity case in each jurisdiction can be expected to attain a benefit/cost ratio of 1.00, or "break even", and are presented in Table 7.

Table 7
Projected Break Even Points

	Study Site		
	New Jersey	Oregon	Wisconsin
Months required to reach break even point	52.04	34.57	22.29

Non-Monetary Costs and Benefits

As noted above, the scope of this study did not permit in depth exploration of the positive and negative ways in which paternity establishment affects the principal parties, children, mothers and fathers. The results of the survey of agency personnel are presented in the Table 8. Percentages reflect the number of respondents who felt that the named party was impacted in a particular area by having paternity established. A "+" in the column labeled "Direction" indicates that the impacted party was expected to benefit in a particular area as the result of having paternity established. A "-" indicates negative impact, or "cost". The figures under the parties indicate the percentage of those respondents with opinions who would attribute benefits or costs to the party in question.

Contributing Factors

Two types of factors were examined in order to help explain the findings of this study with regard to the monetary costs and benefits of operating paternity establishment programs. The first addresses the set of variables associated with how a case is processed -- the techniques and procedures used by the jurisdiction to establish paternity and the support obligation as well as to enforce that obligation. The second type involves those variables that distinguish groups of cases with regard to factors associated with the parties themselves. For purposes of discussion, the two types will be referred to as processing and case variables, respectively.

With regard to processing variables that contribute to effectiveness in establishing paternity (the percentage of opened paternity cases in which paternity is actually established), two key variables were examined: the success of the jurisdiction in locating the putative father and the ability to bring those cases in which the putative father was located to a positive resolution. Location involves the collection of sufficient accurate information from the mother to either contact the putative father directly or to initiate investigative activities that will eventually lead to such contact. It also requires

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the availability of locate resources and the ability to engage and manage them appropriately.

Table 8
Non-Monetary Impacts of Paternity Establishment
as Perceived by Agency Staff

Impact Area	Direction	Impacted Party		
		Mother	Father	Child
Self Esteem	+	64%	25%	55%
	-	8%	10%	1%
Stress	+	36%	15%	19%
	-	35%	48%	11%
Quality of Life	+	40%	9%	49%
	-	3%	15%	3%
Legal Rights	+	76%	59%	64%
	-	4%	13%	3%
Personal Freedom	+	23%	4%	20%
	-	10%	46%	4%
Social Status	+	50%	16%	60%
	-	5%	15%	6%
Pleasure	+	14%	5%	11%
	-	6%	14%	3%
Health Status	+	23%	6%	28%
	-	5%	6%	6%

(Note: Percentages reflect respondents who perceived a positive or negative change; "no change" or "no opinion" responses were not displayed.)

The second issue involves post-locate activities designed to confront the putative father with the allegation of paternity, facilitate voluntary acknowledgement where possible, and develop supportable evidence (such as blood tests) to try cases in which he is unwilling to admit paternity. This requires the availability and use of procedures that will facilitate contact with the man and ensure that cases are pursued as far as possible.

Table 9 presents the percentage of cases in which the putative father was located, the percentage of those located cases in which paternity was established (including those cases in which a support order was established), and the total percentage of cases in which paternity was established in each of the three jurisdictions.

As this table shows, the jurisdictions' overall effectiveness clearly appears

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to be associated with their ability to locate the putative father. Additional data collected for this study indicates that, while a variety of sources tend to be pursued in order to locate the putative father, the most effective source of information on the location of the putative father is the mother, who was the proximal cause of location in 57% (NJ), 59% (OR), and 79% (WI) of the cases for which a source could be identified. Clearly, this is a function of the mother's knowledge as well as the ability of the caseworker to elicit that information, but it suggests that how well this function is performed can have a bearing on overall effectiveness.

Table 9
Location and Paternity Success Rates

	Study Site		
	New Jersey (n=188)	Oregon (n=153)	Wisconsin (n=172)
Percent of cases in which the putative father was located	46	58	64
Percent of located cases in which paternity was established	55	63	88
Percent of total cases in which paternity was established	26	37	56

Also interesting in Table 9 is the percentage of located cases for which paternity was established. This reflects the jurisdiction's effectiveness post-locate. Once a putative father is located, paternity is adjudicated either as a result of the man's "willing" acknowledgement of the allegation or of the finding of a court. In those cases in which paternity is established, the former is desirable, primarily because it is the fastest and least costly.

Table 10 indicates the means by which paternity was established in the three jurisdictions. In addition to the two major categories noted above, "voluntary" adjudications are further broken down by whether or not the putative father initially "contested" the allegation. Data for these figures were extrapolated from the procedures identified in the case files. A key indicator was whether blood tests were used. For example, if blood tests were administered and the putative father admitted paternity, it was concluded that the man had originally contested the allegation.

These figures suggest that the ability of an agency to make contact with a putative father in such a way that he is given an opportunity to respond to the allegation is critical in improving post-locate effectiveness. Three key tools used to make such contact are the notice to appear, the complaint, and the summons. While it must be noted that the case files from which data were obtained for this study may not be complete in recording the instances in which these tools were used, Table 11 reflects the findings on the number of cases in which they were used in the three jurisdictions.

The noteworthy aspect of this table is not so much that one tool or another is directly associated with effectiveness, but rather that Wisconsin, the most

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effective jurisdiction, employs a number of techniques post-locate to elicit a response from the putative father and that these efforts appear to pay off in a high percentage of paternities established. The extensive use of complaints and summonses in Wisconsin should not be seen as indicating that those cases were contested. Rather, this reflects a policy to file such actions on virtually all cases as a means of contact. While this certainly increases the cost of paternity cases, it also appears to be associated with both higher success in paternity establishment and higher cost/benefit.

Table 10
Means by Which Paternity was Established

	Study Site		
	New Jersey	Oregon	Wisconsin
Total paternities established	48	56	97
Total paternities established by voluntarily acknowledgement of the putative father	41 (85%)	41 (73%)	95 (98%)
Not contested	38 (79%)	32 (57%)	84 (87%)
Originally Contested	3 (6%)	9 (16%)	11 (11%)
Total paternities established as a result of a trial	0	4 (7%)	0
Total paternities established by default proceedings	0	7 (13%)	1 (1%)
Unable to determine from files	7 (15%)	4 (7%)	1 (1%)

Table 11
Means Used to Contact Putative Fathers

	Study Site		
	New Jersey (n=188)	Oregon (n=153)	Wisconsin (n=172)
Notice to appear	115	24	111
Complaint	77	74	128
Summons	7	20	93

A second set of processing variables addresses the enforcement of obligations. Clearly, overall effectiveness is a function not only of the number of obligations established but also of the effectiveness of efforts undertaken to ensure that the absent parent complies with that obligation. Each jurisdiction examined in this study has and uses a wide variety of informal and formal

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techniques to help ensure compliance. Some of the most frequently used measures, and the percentage of obligation cases in which they were used in each jurisdiction, are presented in Table 12.

Table 12
Enforcement Techniques Used

	Study Site		
	New Jersey	Oregon	Wisconsin
Procedure	% Of Obligation Cases In Which Used		
Wage Assignment	6%	5%	26%
Wage Garnishment	27%	15%	24%
Federal Tax Intercept	15%	13%	15%
State Tax Intercept	6%	18%	18%
Show Cause Hearing	3%	8%	65%
Contempt Citation	9%	13%	43%

The limitations of the sample preclude drawing any definitive conclusions about the relation of any one technique or procedure to the jurisdiction's overall effectiveness in collections. However, it is interesting to note that Wisconsin, the site with the highest benefit/cost ratio of the three, employs these techniques to a generally higher degree than the other two sites. It is also interesting to note that Wisconsin maintains a higher benefit/cost ratio despite the increase in processing costs incurred as a result of increased enforcement efforts, suggesting that the investment required to pursue such cases does in fact pay off. (Additional information on the case processing system used in Wisconsin and the other two jurisdictions is included in appendices to the full report.)

The second type of factor examined in this study addressed those variables associated with the parties involved in the cases. The data source for this information was the case file, which for a variety of reasons may not have included all of the items of interest in all instances. The following case characteristics profile (Table 13) summarizes data on some of the information that was available in the case files. Since data were not available for all cases for all characteristics, figures presented represent only those cases for which data were available.

As the figures in Table 13 indicate, the three jurisdictions studied were quite comparable in the ages of the parties involved. The major difference among the jurisdictions is seen in the racial breakdown of the fathers. (Note: the data on mother's and child's race was generally unavailable in the case files. The other major difference, parental relationship, is suspect because of definitional problems.) The differences in races in the paternity caseloads is relatively consistent with the jurisdictions' demographics.

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Table 13
Case Characteristics Profile

Characteristic	Study Site		
	New Jersey	Oregon	Wisconsin
Median Child's Age	(n=188)	(n=147)	(n=172)
All cases	.82 yrs	.90 yrs	.74 yrs
Pat. estab. cases	.77 yrs	.70 yrs	.58 yrs
Median Mother's Age	(n=187)	(n=147)	(n=150)
All cases	21.38 yrs	24.06 yrs	22.86 yrs
Pat. estab. cases	20.00 yrs	22.63 yrs	22.38 yrs
Median Father's Age	(n=146)	(n=110)	(n=135)
All cases	25.22 yrs	26.50 yrs	25.92 yrs
Pat. estab. cases	22.38 yrs	25.08 yrs	24.50 yrs
Father's Race (% all cases)	(n=184)	(n=129)	(n=144)
Caucasian	9	79	65
Black	70	8	27
Hispanic	18	5	5
Other	4	8	3
Father's Race (% pat. estab.)	(n=47)	(n=56)	(n=89)
Caucasian	6	86	73
Black	79	2	21
Hispanic	13	7	2
Other	2	5	3
Parental Rel. (% all cases)	(n=149)	(n=132)	(n=151)
Casual	30	59	42
Dated Steadily	47	4	13
Lived Together	20	33	29
Currently Live Together	1	1	12
Once/Currently Married	1	4	4
Parental Rel. (% pat. est.)	(n=38)	(n=53)	(n=93)
Casual	24	43	27
Dated Steadily	53	8	19
Lived Together	24	40	29
Currently Live Together	0	2	19
Once/Currently Married	0	8	5
Father's Employ. (% pat. est.)	(n=33)	(n=36)	(n=78)
Employed	67	69	82
Unemployed	21	19	18
Student	12	11	0

Table 14 presents the results of an analysis of success rates (percentage of cases in which paternity was established) by various case characteristics. Characteristics were collapsed on the basis of preliminary assessments of

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significant differences and the differences between those groupings were tested for significance. Only those characteristics for which there was sufficient data and in which the differences were statistically significant in at least two jurisdictions are reported in this table. As these figures indicate, paternity establishment is more likely when the parties are younger and when the relationship between the parents could be classified as "non-casual". With regard to the racial distinction mentioned above, the difference in success rates differed in direction across jurisdictions and was significant in only one. More data is necessary to determine the impact of this variable on paternity establishment.

Table 14
Comparison of Success Rates (%) by Case Characteristics

	Study Site		
	New Jersey	Oregon	Wisconsin
Child's Age			
0 - 1 years	28	45	65
2 years and over	19	18	23
Significance *	-	.01	.01
Mother's Age			
15 - 20 years	33	46	74
21 years and over	19	33	52
Significance *	.05	-	.05
Father's Age			
15 - 23 years	40	62	83
24 years and over	21	44	60
Significance *	.05	-	.01
Parents' Relationship			
Casual	20	29	40
Non-Casual	28	56	77
Significance *	-	.01	.01

* Chi-square test with Yates's correction for continuity.

SUMMARY AND CONCLUSIONS

In this study we looked at the question of whether paternity cases can be processed cost effectively. To address that question we looked at samples of the paternity caseloads (incoming child support cases that required paternity to be established) in three jurisdictions. Depending on data availability, the samples of cases were tracked retrospectively over three to four year periods. Total costs incurred for the complete samples, ragardless of whether or not paternity and a support obligation were successfully established, were compared against total collections on those cases in which obligations were established to arrive at benefit/cost ratios for each jurisdiction, the primary measure of cost effectiveness. Average case benefit/cost ratios were then computed at 36 months after case opened for each jurisdiction.

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How long it should take to recover total costs is a matter of debate. Clearly, the time should lie within the period that such cases may be expected to remain open. Equally as clear, the sooner such cases begin to make money within that parameter, the larger the potential long term net benefit. But, to date, it has not been possible to identify whether paternity cases as a whole afford the child support enforcement program with net benefits much less what the reasonable point for such benefits to begin to accrue might be. This study, while limited by the number of jurisdictions studied, may begin to shed light on that question. The following conclusions reflect the major findings of the study.

1. Paternity cases begin to pay off within three years after case opening.

At 36 months after case opening, the jurisdictions studied achieved average case benefit/cost ratios of 1.75, 1.05, and .71. For the total sample (all three jurisdictions -- 513 cases) the average case benefit/cost ratio was 1.19 at 36 months after case opening, with break even occuring at approximately 30.75 months. The average case in the most effective of the three sites was estimated to break even at approximately 22.29 months after case opening, with a benefit/cost ratio at 43 months (the average case study period for the jurisdiction) of 2.04. The overall positive net benefit from paternity cases at 36 months, with benefit/cost ratios continuing to increase at that point, suggests that paternity cases can, in fact, contribute positively to overall child support effectiveness.

2. A key to increased cost effectiveness is successful establishment.

Numerous factors combine to make child support enforcement cost effective, or conversely to keep it from being so. In this study we found that the jurisdiction with the highest cost effectiveness was the one that established the highest percentage of paternities. Examining the relationship between paternity establishment success rates and benefit/cost ratios at 36 months after case opening for the three jurisdictions, we find a strong suggestion that the two are related. This relationship is displayed in Figure 1.

This figure suggests that increased costs associated with establishing more paternities is more than offset by marginal increases in collections. It must be remembered that only three sites were examined in this study. In order to test the validity of this conclusion and potentially confirm that increased emphasis on paternity establishment will result in greater cost effectiveness, a larger sample is necessary.

3. Improving location and confrontation increases establishment success.

Establishing paternity requires a number of factors: putative fathers must be identified and located and the allegation must be supported in such a way that the man is willing to admit paternity or that a court of law will find that he is the father. Since the majority of paternities were established as the result of a voluntary acknowledgement, focussing efforts on finding putative fathers and confronting them with the allegation can improve establishment success. Techniques that might contribute to increased effectiveness in these areas include regular use of complaint and summons to contact putative fathers and regular use of inclusionary blood testing in cases in which the allegation is contested. Almost certainly, other, less tangible, factors such as the

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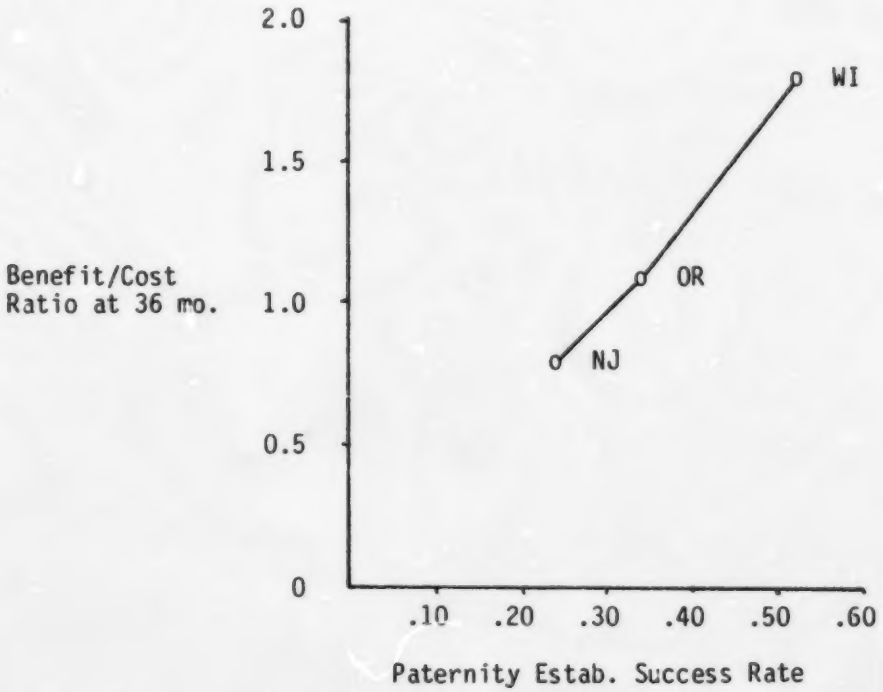
skill of caseworkers in eliciting leads to the location of the putative father and in encouraging the putative father to admit also come into play. Again, further testing of hypotheses arising from these conclusions would better identify the role that these various factors may play.

Figure 1
Relationship Between Establishment Success
and 36 Month Benefit/Cost Ratio



4. Case characteristics affect establishment success.

In this study we found statistical significance in a comparison of the ages of the parties and the relationship between the parents within the jurisdictions studied. These findings suggest that paternity is more likely to be successfully established when the parties are younger and when the parents' relationship can be classified as "non-casual". This is not to imply that other characteristics, such as current marital status of the parents, race, employment status, income level, number of children, and so forth do not have an impact on paternity establishment or cost effectiveness. Rather, the conditions of the study were not sufficient to identify such impacts. The indications that some characteristics affect effectiveness suggests that further exploration of this issue may provide valuable insights into the overall potential of paternity cases as well as guidance into how various types of cases may be more effectively pursued.

5. Paternity cases may pay as well as other cases.

This study did not specifically undertake a comparison with non-paternity

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cases in terms of payment patterns. However, as the final report was being prepared, the results of a Government Accounting Office study on child support enforcement were released. While the methodologies of the two studies differed, a comparison of the GAO findings with those of this study suggests that, in such areas as percent of total obligation paid and the percent of absent parents paying all or some support, paternity cases may be no worse than their non-paternity counterparts in the AFDC caseload. This suggests that enforcement efforts do, in fact, pay off in paternity cases and that overall improvements in child support enforcement will increase paternity case cost effectiveness. This is especially encouraging in light of the recent enactment of the 1984 child support amendments which may result in higher and more consistent collections.

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